Canada-Ontario Affordable Housing Program

Housing Allowance / Rent Supplement

Program Guidelines

Canada

Ontario

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Introduction and Program Overview

The Housing Allowance/Rent Supplement Program (Program) is a component of the broader Affordable Housing Program (AHP), a partnership program cost-shared between the federal and provincial governments. The federal and provincial governments have each committed $301 million to the program. Including municipal contributions to the capital program, the total investment by all levels of government is at least $734 million.

The Program was developed as an exceptional, interim measure to enable service managers to respond immediately to requests by low-income households for affordable housing by creating affordable rental housing in rental markets with high vacancy rates. A “housing allowance” is a supplement paid to the landlord on behalf of households in need of rental assistance. It is meant to help bridge the difference between the rent that a household can afford to pay and the actual market rent.

The Ministry of Municipal Affairs and Housing (MMAH) has prepared the following Guidelines to assist service managers with the implementation and administration of the Program. The Guidelines consist of 2 sections: Mandatory Requirements and General Guidelines. The *Mandatory Requirements* section lists the key program parameters established by the federal and provincial governments. Service managers are required to implement and administer the Program in accordance with these Guidelines and must notify MMAH where unable to do so. The *General Guidelines* focus on program flexibilities and provide suggested implementation strategies for service managers. The strategies are optional and intended for reference and clarification.

I. MANDATORY REQUIREMENTS

Key dates

- March 15, 2006 – Last day for service managers to submit Housing Allowance Take-Up Plans and signed Provincial-Service Manager Housing Allowance/Rent Supplement Agreements (Agreement) with MMAH to their Municipal Services Office (MSO)

- March 31, 2008 – No new Program funding commitments may be made after this date; reallocation of uncommitted funds to capital component of AHP

- March 31, 2013 – Program funding ends

General

- The Program must be administered in accordance with the Provincial-Service Manager Housing Allowance/Rent Supplement Agreement between the service manager and MMAH.

- Total Program allocation: $80 million for 5,000 units province-wide for lower-income households. All service managers in Ontario have been allocated a minimum number of units and maximum amount of funding for the Program.

- There is a maximum 5-year term for each housing allowance agreement between the service manager and the landlord.

Household eligibility and selection

- To be eligible for the Program, households must be on – or be eligible to be on – social housing waiting lists. To be eligible to be on the list, households must meet Household Income Limits (HILs), as updated annually.

- Households in receipt of rent-geared-to-income (RGI) benefits are not eligible to participate in this Program.

- At a minimum, service managers must conduct annual income testing of selected households to ensure their continued eligibility, but may exempt specific types of households (e.g., seniors with fixed incomes).

- The Program dedicates 500 units (10% of each service manager's total unit allocation) to victims of domestic violence (VDV). Where a service manager's take-up is less than 10 units, 1 unit must be set-aside for a VDV client. Service managers must fulfil their target through household referrals from Ministry of Community and Social Services (MCSS) designated agencies assisting VDV clients.

Unit eligibility and selection

- To be eligible, units must be self-contained. Hostel units, group home or congregate living arrangements, nursing and retirement homes are not eligible.

- Each service manager is responsible for ensuring that the gross monthly rent for a unit (fully serviced, including heat, water, hot water, stove and refrigerator) does not exceed the Canada Mortgage and Housing Corporation (CMHC) market rent for the area.

- Units must be in satisfactory state of repair.

- Units occupied by applicant households (i.e., in-situ arrangements) are not eligible.

- Service managers must issue a public notice requesting landlord participation in the Program. Landlords may then be selected through one, or more, of the following options:
  - A competitive process (previous or current)
  - Pre-existing inventories of units established for other programs
  - An open process to identify potential landlords (e.g., advertisements through associations such as the Fair Rental Policy Organization and Greater Toronto Apartment Association, etc.)
  - Households' own selection

Funding

- Housing allowances must be unit-oriented and payments must flow to landlords.

- To be eligible for funding, service managers are required to submit a Housing Allowance Take-Up Plan (see Appendix 5) and to maintain and modify it throughout the duration of the Agreement.

- Program funding within the AHP may be stacked, within the following funding limits:
  - For any AHP Pilot Project that received federal funding under the Community Rental Housing component of the *original* AHP, signed May 30, 2002, the maximum combined federal funding for each unit could not exceed $25,000.
  - For units receiving funding under the *new* AHP, the maximum combined *federal* funding is $75,000 over the 5-year term.

- In cases where the combination of the shelter component of Ontario Works (OW) or Ontario Disability Support Program (ODSP) and the housing allowance results in a reduction of shelter payments, housing allowance payments must be reduced so that there is no reduction of the shelter component of benefits.

- Two-tiered per-unit monthly administration fee for service managers:
  - $15.60 for first 50 housing allowances
  - $13.00 for each allowance above 50

- Expenditures of funding under the Program cannot continue after March 31, 2013.

Reporting

- Service managers are responsible for the timely and accurate reporting to the province in order to enable the province's report back on the Program to CMHC.
- Service managers must submit the Housing Allowance/Rent Supplement Annual Reconciliation Schedule (Appendix 6) that is included in the Service Manager Annual Information Return (SMAIR).

Communications Protocol

- Service managers participating in the Program must agree to a communications protocol with CMHC and the MMAH to ensure:
  - Open, transparent, effective and proactive communications with citizens through ongoing public information activities that recognize the contributions of each party
  - Cooperation among CMHC, the province and the service managers in the development and distribution of materials and information relevant to the Program

II. GENERAL GUIDELINES

1. Household Eligibility and Selection

Household Eligibility

Households in receipt of rent-geared-to-income (RGI) benefits are not eligible to participate in this Program. To be eligible for the Program, households must be on, or be eligible to be on, social housing waiting lists. Households are eligible to be on a waiting list if their gross household income falls below the Household Income Limits (HILs) established by the Canada Mortgage and Housing Corporation (CMHC). HILs represent the maximum income limit for an RGI applicant household in a service area. HILs are published periodically by CMHC and have been provided as part of these Guidelines (see Appendix 3). This table will be updated annually.

Initial income testing

Under the Program, service managers should establish a clear set of rules to determine whether the applicant's household income falls below HILs. For the purpose of determining income, service managers must either use eligibility rules for RGI assistance in O. Reg. 298/01 of the Social Housing Reform Act, 2000 (SHRA) or establish their own rules. If the service manager elects to establish its own rules, the rules must be in writing and available to the general public.

Periodic income testing/continued affordability

At a minimum, service managers must conduct annual income testing of selected households to ensure continued eligibility for the Program, but may exempt specific types of households (e.g., seniors with fixed incomes). Service managers are responsible for establishing the necessary rules, forms and procedures to meet this requirement.

Household Selection

Service managers may select households from social housing waiting lists, but not necessarily in order of priority on the list. Service managers may decide whether households selected from a social housing waiting list remain on the list and maintain their placement.

Households may also be selected through referrals from social service organizations (e.g., local support service agencies, shelters serving the homeless, etc.).

Special priority household category

Service managers are not required to give special priority households first priority for assistance in these units. Service managers are nonetheless encouraged to do so wherever housing allowance assistance would be appropriate to the needs of a special priority household.

Selection of VDV households

The Program dedicates 500 units (10% of each service manager's total unit allocation) to victims of domestic violence (VDV). Where a service manager's take-up is less than 10 units, 1 unit must be set-aside for a VDV client. Service managers must fulfil their target through household referrals from Ministry of Community and Social Services (MCSS) designated agencies assisting VDV clients.

Households eligible under the VDV component do not have to meet the requirements for Special Priority Policy under the SHRA. In addition, eligible households are not required to be in receipt of ongoing formal support services from an MCSS funded agency. Therefore, service managers are not required to enter into Service Provider Agreements with agencies. Housing allowance funding cannot be utilized to offset the cost of the provision of support services (i.e., costs associated with support staff, or cost of on-site agency office space).

MCSS regional offices are responsible for facilitating the selection of eligible households by agencies dealing with VDV clients. MCSS regional offices will provide service

managers with a list of agencies eligible to participate in the Program. These agencies may include, but are not limited to, support agencies, women's shelters, and second stage and transitional housing providers.

Service managers may then select the agencies that they will work with and selected agencies will refer households to the service manager. Agencies may also identify potential landlords and coordinate the submission of applications to the service manager to provide units under the VDV component of the Program.

Agencies that own housing projects (such as second-stage housing providers) can submit applications to the service manager if they intend to provide accommodation and refer eligible households to the Program.

Upon approval, households are required to enter into a lease with landlords. With the approval of the service manager, agencies can also enter into head-lease arrangements with landlords.

Other recommended allocations

The Program strongly encourages service managers to set aside units for Ontario Works (OW) and Ontario Disability Support Program (ODSP) clients. There are distinct advantages associated with the ability to combine the allowance with the shelter component of OW/ODSP to achieve deeper subsidies for higher need households. Section 3 provides details and examples of how housing allowances apply to OW and ODSP clients.

In addition, service managers are encouraged to give some priority to Aboriginal peoples, recent immigrants, persons with disabilities, persons suffering from mental illness, low-income seniors and the working poor.

Public information

Service managers must make information about the Program – including administrative procedures – available to the public. This must include information about any separate application process and selection options available in the service manager's area. There is no requirement to publish addresses of housing allowance units acquired through the Program.

2. Unit Eligibility and Selection

Unit Eligibility

As per the mandatory requirements, units must be self-contained and monthly unit rents must not exceed Canada Mortgage and Housing Corporation (CMHC) average market rents for the area. In-situ arrangements are not eligible. This means that applicants cannot be funded in their current units. Units must also be modest and in satisfactory state of repair.

Market rent

Each service manager is responsible for ensuring that the gross monthly rent for a unit (fully serviced, including heat, water, hot water, stove and refrigerator) does not exceed the CMHC average market rents for the area (see Appendix 2). The ministry will provide service managers with the latest CMHC market data when it becomes available in November or December of each year. CMHC data is provided at the Census Metropolitan Area and Census Agglomeration level of detail.

However, CMHC average market rent data is limited in that:

- It is typically published in November or December of each year and reflects market conditions for the current year
- CMHC areas with a population less than 10,000 people are not surveyed
- Depending on the practice of the local area, average market rents may or may not include utilities

In order to provide the most accurate rental information possible, the ministry can assist service managers by obtaining submarket information from CMHC. Further, where utilities are not included in unit rents, service managers may decide to add the value of utilities to the CMHC average market rent data provided for the area. Lastly, service managers may conduct their own market studies to establish their market rents where it can be demonstrated that accurate market rent data does not exist. In conducting market rent surveys, service managers can consider the following sources of information:

- *Renters News* or other real estate information
- Newspaper advertisements
- Internet rental information sources
- Rental rates in buildings with comparable units and amenities
- Use of comparable service manager as a proxy

Unit Selection

Private Landlords – Service managers can enter into a housing allowance agreement with private sector landlords (individuals or corporations, including builders) for units in newly constructed buildings or existing buildings. Under a typical private landlord agreement (see Appendix 7 for sample agreement), a service manager refers a household to a private landlord. The private landlord agreement indicates the rent (as determined by the service manager) that the household would pay to the landlord, and the service manager pays the landlord the balance of the market rent for the unit. The landlord enters into a lease with the household and the standard relationship between the landlord and household applies, in accordance with the Tenant Protection Act, 1997 (TPA).

Non-Profit Housing Providers – Market units in non-profit housing, including buildings owned by both private and municipal non-profit housing corporations, can be used for the delivery of this Program. Typically, a non-profit housing provider submits an application to the service manager and, if approved, enters into an agreement (see Appendix 8 for sample agreement).

Co-operative Housing Providers – Market units in co-operative housing projects can be used for this Program. This includes both co-operative housing developed under former provincial programs and federal co-operatives. (See Appendix 9 for sample agreement).

Note: There is no limit to the number of market units in a non-profit or co-operative housing project that can be used for the Program, as long as they do not exceed the totals indicated in the Allocation tables (Appendix 1).

SHRA Service Level Standards

The units acquired through this program are not included in service level standards under the Social Housing Reform Act (SHRA). If a non-profit or co-operative housing provider should choose to use all of its market units for the program, these units are still considered “market units” for reporting purposes by the non-profit housing provider.

Landlord agreements

The ministry has provided sample agreements in Appendices 7-9. Service managers can use these sample agreements as written or modify them to meet their needs. It is recommended that service managers seek legal advice prior to using or modifying these agreements. (For more information on Program administration, please see Section 4.)

There is a maximum 5-year term for each housing allowance agreement between the service manager and the landlord. A substitution of units is allowed within a commitment; however, the total commitment cannot exceed the 5-year term. In any case, no commitment of funding (i.e., signing of new agreements) may be entered into after March 31, 2008. Service managers, however, may make commitments prior to this date for agreements whose terms commence after the deadline (e.g., a housing allowance/rent supplement agreement is signed in February 2008 with the 3-year term commencing in April 2009).

A situation may arise where either the landlord or the service manager has terminated an existing agreement after March 31, 2008. In such cases service managers may transfer these pre-March 31, 2008 commitments to other landlords after March 31, 2008. These are not considered new commitments and the term of the original commitment cannot be extended. Service managers can track the transfer of the units in the re-allocation section of the Authorization to Lease form (Appendix 4).

Service managers are asked to pay particular attention to paragraphs relating to damages, vacancy loss and rent negotiations, and decide whether or not to include them in their agreements with landlords. Service managers are not party to the lease between the tenant and landlord, and are therefore not obliged to compensate the landlord for damages or tenant arrears. However, a case may be made to do so, and while Program funding may be used under such circumstances, service managers will still be required to meet their minimum unit allocations.

Landlord selection process

Service managers must issue a public notice requesting landlord participation in the Program. Service managers may then use one, or more, of the options listed below when selecting landlords:

- Undertake a competitive process using a point-rated system that utilizes a “best buy” principle (i.e., favouring proposals based on landlord contributions/incentives, such as waived rents, reduced monthly rents)
- Utilize the results of existing and completed competitive tenders or inventories of units that exceeded allocations under other programs (e.g., the Strong Communities Rent Supplement Program)
- Identify potential landlords through an open process (i.e., advertisements through associations such as the Fair Rental Policy Organization and Greater Toronto Apartment Association.)
- Formally involve households in the selection of units through a set of pre-established criteria

Unit selection by household

In order to speed up the delivery and ensure the success of the Program, service managers may choose to permit an eligible applicant household to find and secure a vacant unit that meets their needs within the private or non-profit market place and within a set of pre-established criteria. Under this unit selection option, service managers must define procedures for participating households and identify criteria for unit selection (e.g., Program requirements, geographic boundaries for search, occupancy standards). Service managers should also make households aware of conflict of interest provisions in the Agreement that prohibit service managers from knowingly entering into subsidy agreements where the household is related to the landlord or owner.

Local occupancy standards

When assigning households to units, service managers may use the same local occupancy standards that they set under the SHRA or develop separate occupancy standards specific to this Program. In either case, standards should be included in Program information available to the general public.

3. Funding

Funding Allocation

Total Program allocation: $80 million for 5,000 units province-wide for lower-income households. All service managers in Ontario have been allocated a minimum number of units and maximum amount of funding for the Program.

The allocation of housing allowances to each service manager is determined by the proportion of “core need” renter households in each service manager’s area. “Core need” renter households are those that are spending 35% or more of their gross household income on rent and/or are residing in unsuitable/unaffordable/inadequate housing.

The funding allocation for each service manager (Appendix 1) is based on the “income-to-rent gap,” that is the amount by which the rent of each unit exceeds 35% of the income of the household occupying that unit. The funding allocation for each service manager was determined accordingly:

1. Calculating the gap between the average rent and 35% of the average income of core need households

2. Multiplying this number by each service manager's unit allocation.

The amount of housing allowance per household may vary to support specific target populations. Housing allowances must be unit-oriented and payments must flow to landlords.

Reallocation of funds

If service managers choose to take up only a portion of their allocated units, a corresponding reduction in allocated funding, based on the average value of allowances, will be made. These amounts will then be redistributed to service managers across the province. Unused funds will be reallocated in the following manner:

September 30, 2006 – Service managers must report on substantial progress in delivering their allocations. The ministry may decide to re-allocate any allocations that are not contracted with landlords.

March 31, 2008 – Any remaining housing allowance allocation balances will be converted to capital dollars for re-allocation.

Stacking

Program funding within the Affordable Housing Program may be stacked but there are funding limits. Furthermore, allowances used for this purpose are not counted towards meeting a service manager's overall housing allowance targets.

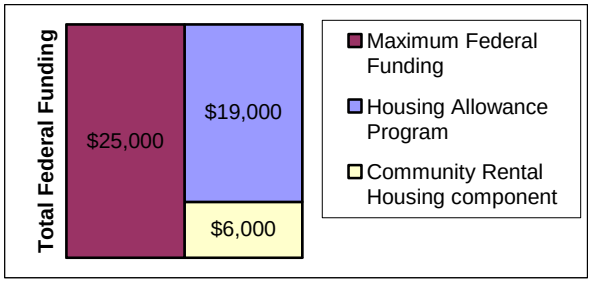
Affordable Housing Program Pilot Projects

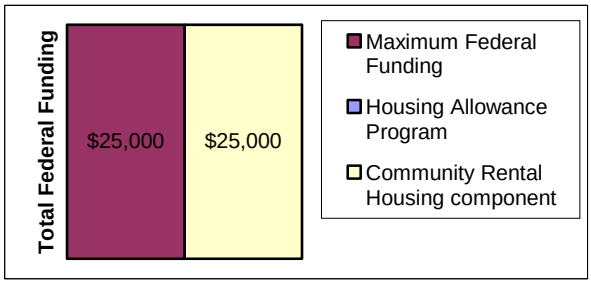
For any Affordable Housing Program (AHP) Pilot Project that received federal funding under the Community Rental Housing component of the original Canada-Ontario Affordable Housing Program (AHP), signed May 30, 2002, the maximum combined federal funding for each unit could not exceed the federal funding ceiling of $25,000. Most Pilot projects created under the AHP requested, and were approved for, the federal funding ceiling of $25,000. Some projects, however, were able to build the units without utilizing the federal funding ceiling. Only units that have not reached their full federal funding limit of $25,000 are eligible to receive housing allowance funding under the new Canada-Ontario Affordable Housing Program (AHP) Agreement, signed April 29, 2005.

In the first example below, the project was approved for $6,000 in federal funding per unit out of the available $25,000 per unit. This project would qualify for a housing allowance of up to $19,000, the difference between the $6,000 approved and the federal

per unit ceiling. An additional housing allowance unit would need to be funded to ensure targets are met.

In the second example below, the project was approved for $25,000 per unit under the AHP Pilot Round. Since this project has already received the federal ceiling per unit under the pilot program, this unit is not eligible to receive funding under the Program.



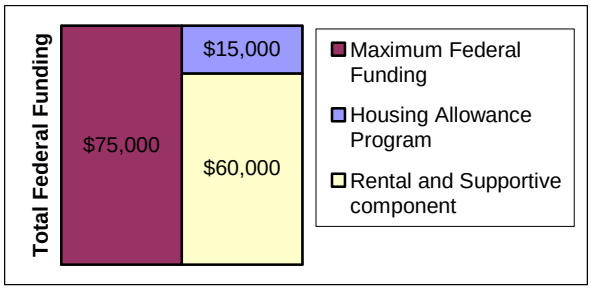


New Canada-Ontario Affordable Housing Program

For any project receiving federal funding under the *new* Affordable Housing Program (AHP) Agreement, signed on April 29, 2005, the maximum combined federal funding for that unit cannot exceed $75,000, in the case of the Rental and Supportive component, and $25,000 per unit in the case of the Remote component.

Due to the individual program objectives and eligibility criteria, units in receipt of funding under the Affordable Home Ownership Program and/or the Affordable Remote Housing Program do *not* qualify for receipt of Housing Allowance/Rent Supplement Program funding, as the ownership of real property and asset limits would deem recipients ineligible to be on a social housing waiting list – a key eligibility requirement under the Program.

As illustrated below, if a unit received $60,000 in federal funding under the Rental and Supportive component, that unit can only receive $15,000 in federal funding under the Housing Allowance Program to reach the per unit limit of $75,000. An additional housing allowance unit would need to be funded to ensure targets are met.



Funding Process – Housing Allowance Take-Up Plan

To be eligible for funding, service managers are required to submit a Housing Allowance Take-Up Plan. A sample Housing Allowance Take-Up Plan is included as a template in this document as Appendix 5. In the Housing Allowance Take-Up Plan, service managers are asked to provide estimates of the number of units and their related expenditures they have committed and expect to commit, as they move to full program take-up and subsequently wind-down commitments. It is important to note that while the plans are stated in "number of units," the most important consideration is the related expenditures tied to these units, which will determine funding allocations to each service manager. All Housing Allowance Take-Up Plans should show multi-year funding requirements.

The Housing Allowance Take-Up Plan must clearly indicate how the service manager intends to:

- Deliver its total unit allocations (i.e., number of landlord agreements, units, terms of agreements, etc.)
- Meet its total required target allocations (i.e., victims of domestic violence)
- Select any of the priority groups suggested by CMHC and the ministry (e.g., OW and ODSP clients, Aboriginal peoples, recent immigrants, persons with disabilities, persons suffering from mental illness, low-income seniors and the working poor)
- Forecast expenditure requirements for each quarter of the Program

The Housing Allowance Take-Up Plan is a key component of the Program's funding process, and must clearly identify the following:

- Number of units and related expenditures by each quarter until full delivery of unit allocations
- Unit allocations by year (i.e., number of target allocations in Year 1, Year 2, etc.)
- Date by which full take-up is expected and the last date of funding requirements

Submission of the Housing Allowance Take-Up Plan

- **Service managers must submit their completed Housing Allowance Take-Up Plan to their MSO, no later than March 15, 2006.**

Service managers are asked to submit electronic versions of their Housing Allowance Take-Up Plan on the Excel spreadsheet templates provided by the ministry.

The ministry recognizes that some service managers will require Council/Board resolution, and this may be obtained at first opportunity after March 15, 2006. MSOs will work with each service manager to establish reasonable time frames.

Ongoing management of Housing Allowance Take-Up Plan

Service managers are required to maintain their Housing Allowance Take-Up Plans throughout the duration of the Agreement. Subsidy requirements may increase over time if market rents increase in a community. Service managers will need to modify their Housing Allowance Take-Up Plans to manage changes in market rents and potential corresponding fluctuations in housing allowance allocations.

Service managers are required to notify the MSO immediately if there are any changes to their Housing Allowance Take-Up Plan, which will result in temporary or permanent under-spending. Should there be consistent under-spending by a service manager on any of the Program components, MMAH may reclaim these funds for potential reallocation.

Funding for OW and ODSP clients

- **Given that payments are unit-oriented, non-portable and must flow directly to the landlords, the Ministry of Community and Social Services (MCSS) does not consider the housing allowance to be a form of household income.**

MCSS does however treat Housing Allowance/Rent Supplement payments as a reduction in rent (See Appendix 14). While the shelter component of OW or ODSP can be combined with housing allowances, shelter payments may be reduced if the combination of the two subsidies exceeds the rent of the unit. In these instances, housing allowance payments should be adjusted so that they do not result in a reduction of shelter component of benefits. Please see below for examples of how shelter benefits will be treated.

Example 1 – No Tenant Payment or Reduction in Shelter Allowance – **Recommended**

Client	Market Rent	Maximum Monthly Shelter Allowance	Housing Allowance (HA) Portion	Difference in Rent *(Market Rent – Shelter Allowance – Housing Allowance)*	Result
OW recipient + 2 dependents	$761 *(2-bdrm)*	$571 *(OW for 3 beneficiaries)*	$190 *(rent-to-income gap)*	$0	No reduction in OW shelter allowance
Single ODSP recipient	$617 *(1-bdrm)*	$427 *(ODSP for 1 beneficiary)*	$190 *(rent-to-income gap)*	$0	No reduction in ODSP shelter allowance

Example 2 – Tenant Payment – **Not Recommended**

Client	Market Rent	Maximum Monthly Shelter Allowance	Housing Allowance (HA) Portion	Difference in Rent *(Market Rent – Shelter Allowance – Housing Allowance)*	Result
OW recipient + 2 dependents	$1,052 *(2-bdrm)*	$571 *(OW for 3 beneficiaries)*	$350 *(rent-to-income gap)*	$131 *(Paid by tenant)*	Tenant pays balance. No reduction in OW shelter allowance
Single ODSP recipient	$886 *(1-bdrm)*	$427 *(ODSP for 1 beneficiary)*	$350 *(rent-to-income gap)*	$109 *(Paid by tenant)*	Tenant pays balance. No reduction in ODSP shelter allowance

Example 3 – No Tenant Payment but Reduction in Shelter Allowance - **Not Permitted**

Client	Market Rent	Maximum Monthly Shelter Allowance	Housing Allowance (HA) Portion	Difference in Rent *(Market Rent – Shelter Allowance – Housing Allowance)*	Result
OW recipient + 2 dependents	$679 *(2-bdrm)*	$571 *(OW for 3 beneficiaries)*	$180 *(rent-to-income gap)*	-$72 *(over-payment)*	SM must adjust HA portion to ensure no reduction in OW shelter allowance
Single ODSP recipient	$550 *(1-bdrm)*	$427 *(ODSP for 1 beneficiary)*	$180 *(rent-to-income gap)*	-$57 *(over-payment)*	SM must adjust HA portion to ensure no reduction in ODSP shelter allowance

Administration Fees

One-third (1/3) of the total administration fee will be given to service managers when they sign the Agreement with the ministry. The remaining two-thirds (2/3) of the total administration fee will be paid up front as service managers sign agreements with landlords.

Administration fees will be paid at the following rates:

- $15.60 per unit/month for the first 50 housing allowances
- $13.00 per unit/month for each housing allowance above 50

Administration fees will not be deducted from the $80 million set aside for the Program and will be paid up front. Service managers may also apply any interest earned on advanced fees to offset their administrative costs.

Electronic Funds Transfer Payment

The ministry will flow the Program's funds to service managers through an Electronic Funds Transfer (EFT) payment, on a quarterly basis, based on each service manager's Housing Allowance Take-Up Plan, approved by the ministry.

Payments will be based on the projected Program costs as identified in the service manager's approved Housing Allowance Take-Up Plan. Quarterly payments for housing allowances will be made on the first day of every quarter of the calendar year in advance for the upcoming quarter. The first payment will be forwarded to service managers based on the year/quarter stated in the Housing Allowance Take-Up Plan. Please refer to Section 3 and Appendix 5 for more information on Housing Allowance Take-Up Plan requirements.

Changing bank accounts

Service managers must notify the ministry in advance of changes to their banking information. The ministry makes EFT payments to service managers through 7-digit 'vendor numbers' that are linked to specific bank accounts. If a bank account is changed without notifying the ministry, the funds may be transferred to a closed or incorrect account, and this will result in delays of payments.

To change banking information, the service manager should request a Direct Deposit Authorization form from the Delivery Branch staff contact. Service managers must complete the form and also indicate that a change is required to an existing vendor number.

The service manager must forward by fax or mail all completed Direct Deposit Authorization forms, along with a VOID cheque or remittance slip, to the attention of:

Sam Roy, Senior Financial Advisor
Housing Delivery Branch
Ministry of Municipal Affairs and Housing
777 Bay Street, 2nd Floor
Toronto ON M5G 2E5

E-mail: sam.roy@mah.gov.on.ca
Phone: (416) 585-6318

Service managers must also notify the Delivery Branch of new or discontinued vendor numbers.

Transition Strategies

The AHP Agreement requires that service managers determine and implement appropriate transition strategies for units (or substitutes) that have their commitments expire under the Program. The ministry is committed to working with service managers to identify best practices, innovations and creative approaches to support the effective take-up of housing allowances and the transition of tenants as the Program winds down.

Service managers have the flexibility to determine appropriate transition strategies and may consider best practices and innovations, such as:

- Providing housing allowances to households that are likely to transition to average market rent levels (e.g., recipients with stable income sources and levels)
- Selecting eligible allowance recipients from the top of social housing waiting lists in order that they may be able to transition to RGI housing before the end of the Program
- Giving housing allowances to landlords on behalf of OW and ODSP recipients, as the provision of a housing allowance (without a corresponding reduction in benefits) may enable independence by the end of the Program
- Utilizing other programs, such as the Strong Communities Rent Supplement Program, to assist households as they transition from the Program
- Communicating the nature of the Program fully to selected housing allowance recipients where the time-limited nature of the Program is emphasized and fully understood

4. Program Administration

Program administration – Roles

- *MMAH – Head Office* will provide funding to service managers on a quarterly basis. MMAH will also provide Program support to VDV agencies.
- *MMAH – Municipal Services Office* will co-ordinate the development and submission of service manager Housing Allowance Take-Up Plans.
- *Service managers* will ensure that all the necessary administrative structures and processes are in place to: enable the prudent and effective management of the Program; approve applications; enter into and administer agreements; determine initial and ongoing household eligibility; provide subsidies for qualified households;

ensure units are clean, fit for habitation, and in compliance with Building Code and Fire Code requirements; and submit reports to the ministry as required.

- *MCSS – Head Office* will support MMAH with the production of policy directives.

- *MCSS – Regional Offices* will facilitate, with agencies – ones dealing with VDV clients, including support agencies, emergency shelters, former second stage and transitional housing providers – the selection of eligible households for referral to the service manager. Regional offices will also facilitate the submission of applications by VDV agencies that intend to provide accommodation to eligible households.

- *Participating VDV agencies* will identify, in conjunction with the MCSS Regional Office and the service manager (where appropriate), eligible households and prospective landlord(s), help prospective landlord(s) complete an application form, and refer them to the service manager. Agencies may also submit an application form to the service manager as a prospective landlord to provide accommodation to eligible households.

General Approval Process for Applications to Provide Units

Step 1 – Accepting the Application

- The service manager, or its agent, will receive a signed and completed application from:
  - A landlord identified by the service manager
    or
  - A landlord identified by an eligible VDV agency as designated by MCSS
    or
  - An MCSS designated agency that intends to provide accommodation to VDV households.

Step 2 – Evaluating the Application

- The service manager, or its agent, will evaluate the application and consider, among other things, whether the market rents for the units offered are within those established under the Program

- Complete the second half of the Housing Allowance/Rent Supplement Program Application Form. *Note:* The service manager should exercise due diligence and ensure that the units to be subsidized under the Program are clean, fit for habitation, in a satisfactory state of repair, and in compliance with minimum applicable Building Code and Fire Code requirements.

Step 3 – Approving or Refusing an Application

If the application is *refused*:

- Notify the applicant in writing with reasons to support the decision. Where applicable, the support service agency and appropriate MCSS Regional Office should be copied on this letter.

If the application is *approved*:

- Complete an Authorization to Lease (ATL) (see Appendix 4) and its Appendix as follows:

  - Check the appropriate box to indicate whether the ATL is for a new, revised, or re-allocated agreement.

  - Assign a new six-digit agreement number. The first two digits represent the program type and should be “HA” for any Agreement created under this initiative. The third digit represents your Municipal Services Office, as follows:

    1 - Eastern Municipal Services Office
    2 - Southwestern Municipal Services Office
    3 - Northern Municipal Services Office
    4 - Northwestern Municipal Services Office
    5 - Central Municipal Services Office

  - The last three digits represent the number of agreements signed in sequential order. To assign a new agreement number, simply increase the last number in sequential order. For example, if the last agreement number assigned to a housing allowance agreement was “HA3001", the next should be “HA3002".

  - Enter the required information in the appropriate sections pertaining to the agreement, landlord, project, unit and client type data.

  - Have the authorizing officer (someone with the authority to bind the corporation/agency) sign the Authorization to Lease form in the space provided on the first page. Note that a signature is not required for the second page of the Appendix unless a new unit is added to an existing agreement.

Step 4 - Executing a Housing Allowance/Rent Supplement Agreement

- Prepare the appropriate agreement and schedule A in triplicate and forward them to the landlord for signature
- Section 3 of this guideline provides information on the three types of agreements for this Program and when to use them
- Upon receiving three signed copies of the agreement, the authorizing officer of the service manager, or its agent, will sign the agreements
- The service manager, or its agent, will retain one original version of the fully executed housing allowance/rent supplement agreement, and ATL form for its records
- The service manager, or its agent, will send one original version of the fully executed agreement and ATL form to the ministry contact
- The service manager, or its agent, will send one original copy of the executed agreement to the landlord.

A complete file should include:

- A complete, signed original copy of the application form
- A complete, signed original copy of the ATL and its Appendix A
- A complete, signed original copy of the agreement and its Schedule A

Reporting and Program Evaluation

Reporting

Service managers are responsible for the timely and accurate reporting to the province in order to enable the province's report back on the Program to CMHC. Reporting will be carried out through the Service Manager Annual Information Return (SMAIR). The current SMAIR form will be adapted to meet the Program's reporting requirements by including the table attached as Appendix 6 – Housing Allowance/Rent Supplement Annual Reconciliation Schedule.

The ministry will analyze each service manager's annual Program report to determine adherence to its approved Housing Allowance Take-Up Plan. The annual reporting requirement will enable the annual repayment of funding if the funding is not expended in a manner consistent with accountability guidelines and the AHP Agreement.

Program Evaluation

The Program will be evaluated under the overarching performance measure of number of low-income households for whom housing allowances are made available. The target for 2006-07 is to have landlord agreements signed and Housing Allowance Take-Up Plans approved. Subsequently, the performance target for 2007-08 is to have total Program funding committed towards 5,000 units.

In addition to the above formal performance measures, the ministry intends to further evaluate and assess the Program by collecting additional information, including number of:

- Units for victims of domestic violence
- Original households who continue to be in receipt of allowance at the end of the Program
- MCSS clients served

This information will assist the government in future housing allowance policy development and in determining how this Program serves a variety of client groups.

5. Communications Protocol

The communications protocol will ensure there is cooperation among CMHC, the ministry and service managers in the development and distribution of materials and information relevant to the Program.

Service managers participating in the Housing Allowance/Rent Supplement Program will agree to a communications protocol with CMHC and the Ministry of Municipal Affairs and Housing to ensure open, transparent, effective and proactive communications with citizens through ongoing public information activities that recognize the contributions of each party.

For the purposes of the Housing Allowance/Rent Supplement Program participants will refer to Schedule D – Communications Protocol, Affordable Housing Programs, in the current *CMHC - Ontario Affordable Housing Program Agreement*.